

Message Text

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ACTION EB-08

INFO OCT-01 NEA-10 ISO-00 COME-00 TRSE-00 OPIC-06
XMB-04 L-03 CIAE-00 DODE-00 DOTE-00 FMC-02 INR-10
NSAE-00 CG-00 DLOS-09 OES-09 /062 W
-----106498 141740Z /43

R 130947Z SEP 78

FM AMCONSUL DHAHRAN
TO SECSTATE WASHDC 6475
INFO AMEMBASSY JIDDA

UNCLAS DHAHRAN 1112

E.O. 11652: NA

TAGS: EWWT, SA

SUBJECT: BANKRUPTCY OF PACIFIC FAR EAST LINE (MPFL)

REF: STATE 226549

1. JIDDA PASSED REFTTEL TO CONGEN FOR ACTION SINCE PORT OF DAMMAM AND
ALGOSAIBI SHIPPING CO. IN OUR CONSULAR DISTRICT. ON SEPTEMBER 12
CONSOFFS DISCUSSED SUGJECT WITH RONALD CATTRELL, VICE PRESIDENT OF
INTERNATIONAL ASSOCIATED CARGO CARRIER (IA-
CC) WHICH IS SUBSIDIARY OF
ALGOSAIBI HANDLING PACIFIC FAR EAST LINE (PFL) MATTERS.

2. CATRELL INTIMATELY CONCERNED WITH ENTIRE CASE, AND HE HAS MADE
TRIPS TO U.S. TODISCUSS PROBLEM WITH PFL LIQUIDATOR, WHO, ACCORDING
TO CATTRELL, INDICATED THAT ALGOSAIBI FIRM WAS FAR DOWN LIST OF PFL
CRDITORS AND PROBABLY WOULD NOT GET PAID.

3. CATRELL CLAIMED THAT PFL OWES INTERNATIONAL ASSOCIATED CARGO
CARRIER (IACC) ABOUT U.S. \$3 MILLION DOLARS FOR SHIPPING SERVICES.
THREE MONTHS AGO, DAMMAM PORT AUTHORITIES NOTIFIED IACC THAT PFL
33 LASH BARGES SHOULD BE MOVED FROM PORT OR PORT WOULD BEGIN CHARGING
US \$10,000 DOLLARS PER DAY FOR DEMURRAGE. SINCE BARGES HAVE NOT
BEEN MOVED, DEMURRAGE CHARGES NOW AMOUNT TO ABOUT US ONE
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MILLION DOLLARS, DUE TO DAMMAM PORT.

4. IACC ALSO HAS IN CUSTODY CONTAINERS, TRAILERS, REEFERS,
VANS AND SIMILAR EQUIPMENT, WHICH, ACCORDING TO CATTRELL, PFL'S
FORMER MANAGEMENT TURNED OVER TO IACC AS PAYMENT FOR SERVICES.
HOWEVER, IACC SUBSEQUENTLY LEARNED THAT MUCH OF THIS EQUIPMENT WAS
LEASED FROM OTHER COMPANIES, SOME OF WHOM ARE NOW TRYING TO

BUY BACK THEIR OWN EQUIPMENT FROM IACC.

5. ABOUT ONE MONTH AGO, IACC'S OWN MARINE SURVEY DEPARTMENT, ALGOMARINE SERCIES CONDUCTED COMPREHENSIVE SURVEY OF THE 33 LASH BARGES. IACC ESTIMATES COST OF SUCH SURVEY AT ABOUT U.S. \$20,000 DOLLARS. CATTRELL SAID ALGOMARINE COULD CONDUCT NEW SURVEY OR RELEASE LAST SURVEY FOR ABOUT SAME AMOUNT OF MONEY.

6. AT ONE TIME IACC WASIPREPARED TO MOVE BARGES TO ALEXANDRIA WHERE THEY COULD BE REPAIRED AND PUT INTO OPERATION AT EGYPT'S CONGJCQPOPORT. THIS IDEA FELL THROUGH WHEN IACC LEARNED OF OTHER LIENS ON BARGES AND THOUGHT SOME CREDITOR MIGHT CONFISCATE THEM. IACC ESTIMATES THAT IT WOULD COST US \$500,000 DOLLARS TO MOVE BARGES TO ALEXANDRIA.

7. MOST PRESSING PROBLEM IN CATTRELL'S VIEW IS DEMURRAGE CHARGE WHICH CONTINUES TO MOUNT AT US \$10,000 DOLLARS PER DAY AS BARGES STAY IN DAMMAM PORT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BANKRUPTCIES, STEAMSHIP LINES
Control Number: n/a
Copy: SINGLE
Draft Date: 13 sep 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978DHAHRA01112
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780374-0541
Format: TEL
From: DHAHRAN
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780973/aaaacigc.tel
Line Count: 81
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: c6d4df51-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 78 STATE 226549
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1457287
Secure: OPEN
Status: NATIVE
Subject: BANKRUPTCY OF PACIFIC FAR EAST LINE (MPFL)
TAGS: EWWT, EFIN, SA, PACIFIC FAR EAST LINES
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/c6d4df51-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014